HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR. DAVID L. SMELLEY PAUL A. STRICKLAND GLENN L. LANGLEY LOUISE F. PEARCE JONATHAN F. RABURN (A Professional Law Corporation)
American Tower, Suite 600
401 Market Street
Shreveport, Louisiana 71101-3239

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELECOPIER (318) 429-7200
TELECOPIER (318) 429-7201

THOMAS J. WYATT (1942-1996)

OF COUNSEL

December 16, 2005

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Cib Haz-Marg Vag Zone, Reservoir A, LAKE MONGOULOIS FIELD, St. Martin Parish, Louisiana.

Dear Sir:

MANTI OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cib Haz-Marg Vag Zone, Reservoir A, in the Lake Mongoulois Field, St. Martin Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the Cib Haz-Marg Vag Zone, Reservoir A.
- 2. To create a single drilling and production unit for the exploration for and production of oil and gas from the Cib Haz-Marg Vag Zone, Reservoir A, such unit being designated CIB HAZ-MARG VAG RA SUA and being shown on the attached plat.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each separate tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate a unit operator of, and unit well for, the proposed unit as may be appropriate.
- 5. To provide that future wells drilled to the Cib Haz-Marg Vag Zone within or outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.

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- 6. To provide that the Commissioner of Conservation may reclassify the Cib Haz-Marg Vag Zone, Reservoir A, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.
- 7. To define the Cib Haz-Marg Vag Zone, Reservoir A, in the Lake Mongoulois Field, as the stratigraphic equivalent of that hydrocarbon bearing zone encountered between the measured depths of 10,655' and 11,435' in the Krescent Energy Company, LLC (formerly The Texas Company)--State Lease 303 No. 27 Well (SN 047739), located in Section 14, Township 10 South, Range 9 East, St. Martin Parish, Louisiana.
 - 8. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the offices of Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70505. Any person wishing to inspect such data should call Mr. David Comeaux at (337) 233-9839 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated November 21, 2005, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:30 o'clock a.m. on December 15, 2005, in Lafayette, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. After this question and answer period, Mr. Jason Talbot, on behalf of the State Mineral Board, presented an alternative plan. The differences could not be resolved and the conference was adjourned. It is not anticipated that there will be any opposition to Applicant's proposals at the hearing.

Attached hereto is a plat outlining the drilling and production unit which Applicant proposes to create (which plat is identical to that attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

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Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Lake Mongoulois Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley

Attorney for Manti Operating Company

DLS:dp Enclosures

cc: Mr. Richard Hudson (w/encls.)

Mr. Barry Clark (w/encls.) Mr. Tom Medary (w/encls.) Mr. David Comeaux (w/encls.)

Interested Owners, Represented Parties and Interested Parties (w/plat only)

